



MEMORANDUM

Agenda Item No. 6(O)

TO: Honorable Chairperson and Members
Board of County Commissioners

DATE:

(Second Reading 5-6-03)
March 11, 2003

FROM: Steve Shiver
County Manager

SUBJECT: Ordinance Amending
Section 2-10.1 of the Code;
Establishing a Joint Purchase
User Access Rebate Program

RECOMMENDATION

It is recommended that the Board adopt the attached ordinance amending Section 2-10.1 of the Code of Miami-Dade County to replace the current Surcharge program with an improved 3-year pilot program. The amended ordinance establishes the User Access Rebate Program (UARP) for municipalities and quasi-governmental not-for-profit entities utilizing the joint purchase provisions of Miami-Dade County contracts for the procurement of goods and services.

BACKGROUND

The Department of Procurement Management (DPM) conducted an extensive review of the existing *Vendor Surcharge Fee Program* which the Board approved by Ordinance No. 98-43 on April 21, 1998 with a 5-year sunset provision that stands to be repealed on April 21, 2003.

DPM provides voluntary access to the use of County contracts now enjoyed by 62 municipalities and/or quasi-governmental not-for-profit entities throughout the State of Florida. As a result of the recently completed review, DPM staff determined that the program would be more effective and potentially generate greater revenue by establishing a revenue sharing *User Access Rebate Program*, which is offered now through this proposed Ordinance and companion Administrative Order on today's agenda.

The amended Administrative Order (AO) establishes the User Access Rebate Program as a two percent (2%) discount of the total invoice amount (excluding any additional freight charges) of all purchases made utilizing County established contracts. The AO requires the entity utilizing the contract to deduct two percent (2%) from all applicable vendor invoices and remit seventy-five percent (75%) of that rebate to DPM, while retaining twenty-five percent (25%) of the rebate for its own use.

It is important to note that the provisions of the amended AO will be applied selectively and not to all contracts. The Administrative Order includes an "exceptions" section and three criteria for appropriate utilization of the program in the best interests of the County, primarily in relation to commodities frequently used by governmental entities. DPM routinely evaluates new contract specifications to determine whether to include the UARP provision.

In order to contractually obligate each entity utilizing County contracts to rebate the discounted amount, the AO authorizes the Department of Procurement Management to enter into Joint Purchase Agreements with municipalities and quasi-governmental not-for-profit entities that express interest in accessing County established contracts.

Use of our County contracts provides these entities with advantageous terms, volume pricing and reduced administrative fees, none of which can be achieved if they contract for purchases on their own. It is expected that the County will receive greater volume discounts from vendors in their bid prices when the utilization of our contracts by other entities increases due to the features of the improved program. The proposed formula for sharing in the proceeds from the deductions from vendor invoices promises to be an incentive for greater use of County contracts by other jurisdictions, as well as to stimulate their cooperation in collecting the rebate amounts.

Rebate revenue generated under the Program is expected to supplement the General Fund and allow DPM to improve the current level of services provided to County departments, as well as outreach services to the business community. DPM's outreach programs orient new and existing vendors with respect to enhanced contracting opportunities and streamlined processes for the development of local and small businesses.

The State of Florida, Department of Management Services, Procurement Management Division is fully funded by a similar type of revenue program. Other jurisdictions, including the Federal Government, Division of General Services Administration, have adopted similar legislation and have established successful programs. In the research and development of this legislation, DPM staff consulted with and received positive input from the National Institute of Governmental Purchasing (NIGP) and U.S. Communities, (Government Purchasing Alliance sponsored nationally by NACO, the US Conference of Mayors, and NIGP).

Staff intends to monitor the performance of the Program closely and may find merit in returning to the Board in the future with a proposal to extend application of the 2% User Access Rebate Program to all purchases, including those by County departments.

Attached hereto, for your reference, are related documents that will be used to implement and administer this new User Access Rebate Program.

FISCAL IMPACT

The fiscal impact of this program is minimal. Additional expenses associated with this program include printing and postage to promote its benefits to current and potential participants. The program will be administered by DPM utilizing the existing budgeted staffing level. Staff resources will be requested if needed and if it is determined that the Program generates a sufficient level of revenue to cover all expenses.

Attachments:

- UARP Entity Agreement
- Cover letter to entities
- Quarterly Report Form
- UARP processing procedures
- Standard solicitation language

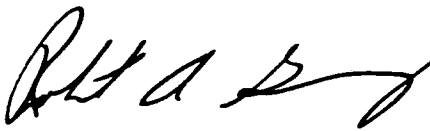


MEMORANDUM

(Revised)

TO: Honorable Chairperson and Members
Board of County Commissioners

DATE: May 6, 2003

FROM: 
Robert A. Ginsburg
County Attorney

SUBJECT: Agenda Item No. 6(0)

Please note any items checked.

- ☐ "4-Day Rule" ("3-Day Rule" for committees) applicable if raised
- ☐ 6 weeks required between first reading and public hearing
- ☐ 4 weeks notification to municipal officials required prior to public hearing
- ☐ Decreases revenues or increases expenditures without balancing budget
- ☐ Budget required
- ☐ Statement of fiscal impact required
- ☐ Bid waiver requiring County Manager's written recommendation
- ☐ Ordinance creating a new board requires detailed County Manager's report for public hearing
- ☐ Housekeeping item (no policy decision required)
- ☐ No committee review

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 6 (0)
5-6-03

ORDINANCE NO. _____

ORDINANCE ESTABLISHING A PROGRAM TO ALLOW MUNICIPALITIES AND NOT-FOR-PROFIT ORGANIZATIONS TO ACCESS COUNTY CONTRACTS FOR THE PURCHASE OF GOODS AND SERVICES; PROVIDING FOR REBATE TO THE COUNTY RELATING TO USER ACCESS TO BE ESTABLISHED BY ADMINISTRATIVE ORDER, AMENDING SECTION 2-10.1 OF THE CODE OF MIAMI-DADE COUNTY; PROVIDING SEVERABILITY INCLUSION IN THE CODE AND AN EFFECTIVE DATE

**BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF
MIAMI-DADE COUNTY, FLORIDA:**

Section 1. Section 2-10.1 of the Code of Miami-Dade County, Florida, is hereby amended as follows:¹

Sec.2-10.1 ~~[[Joint purchase s by County]]~~ >>User Access Rebate Program for procurement of goods and services.<< ~~[[and quasi-governmental entities surcharges.]]~~

(A) Definitions.

- (1) "County Manager" shall refer to the County Manager or ~~[[his]]~~ designee.
- (2) "Joint Purchase Provision" shall refer to a provision in County contract documents that ~~[[County purchases]]~~ >>the terms, conditions and pricing of the County Purchase << shall be available to any >>Participating<< ~~[[quasi-governmental not-for-profit-e]]~~ >>E<<ntity at the County contract price.
- (3) "County Purchases" shall refer to the County's purchase of commodities, services, or both by competitive ~~[[bidding]]~~ procedures.

Words stricken through and/or ~~[[double bracketed]]~~ shall be deleted. Words underscored and/or >>double arrowed<< constitute the amendment proposed. Remaining provisions are now in effect and remain unchanged.

- (4) "~~[[Quasi-Governmental]]~~ >>Participating<< Entity" shall refer to any municipality or not-for-profit organization, ~~[[located in the State of Florida.]]~~ >>except where prohibited by law.<<

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- (C) ~~[[Surecharges]]~~ >> User Access Rebate Program<<

In order to ~~[[fund the costs of]]~~ >>supplement the current level of General Funds received for<< the County's procurement function, the County Manager is authorized to ~~[[impose a surcharge on the purchase by a Quasi-Governmental Entity utilizing a Joint Purchase Provision.]]~~ >>implement a User Access Rebate Program for Participating Entities utilizing County contracts. The Program shall be administered by the Department of Procurement Management.<< The contracts which shall be affected, the amount of ~~[[the surcharge]]~~ >>rebate<< ~~[[as a percentage of the purchase price,]]~~ and the method of collection shall be established by administrative order. The ~~[[surecharges]]~~ >>revenue<< shall be deposited directly to the ~~[[General Services Administration]]~~ >>Department of Procurement Management<< but shall be subject to appropriation as deemed necessary by the County Manager.

Section 2. If any section, subsection, sentence, clause or provision of this ordinance is held invalid, the remainder of this ordinance shall not be affected by such invalidity.

Section 3. It is the intention of the Board of County Commissioners, and it is hereby ordained that the provisions of this ordinance, including any sunset provision, shall become and be made a part of the Code of Miami-Dade County, Florida. The sections of this ordinance may be renumbered or relettered to accomplish such intention, and the word "ordinance" may be changed to "section," "article," or other appropriate word.

Section 4. This ordinance shall become effective ten (10) days after the date of enactment unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.



Section 5. This ordinance shall stand repealed three (3) years from its effective date.

PASSED AND ADOPTED:

Approved by County Attorney as
to form and legal sufficiency:

Lince

Prepared by:

HB

Hugo Benitez